

111TH CONGRESS  
1ST SESSION

# S. 1141

To extend certain trade preferences to certain least-developed countries, and  
for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 21, 2009

Mrs. FEINSTEIN (for herself and Mr. BOND) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To extend certain trade preferences to certain least-developed  
countries, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tariff Relief Assist-  
5 ance for Developing Economies Act of 2009” or the  
6 “TRADE Act of 2009”.

7 **SEC. 2. FINDINGS.**

8 Congress finds the following:

9 (1) It is in the mutual interest of the United  
10 States and least-developed countries to promote sta-

1 ble and sustainable economic growth and develop-  
2 ment.

3 (2) Trade and investment are powerful eco-  
4 nomic tools and can be used to reduce poverty and  
5 raise the standard of living in a country.

6 (3) A country that is open to trade may in-  
7 crease its economic growth.

8 (4) Trade and investment often lead to employ-  
9 ment opportunities and often help alleviate poverty.

10 (5) Least-developed countries have a particular  
11 challenge in meeting the economic requirements and  
12 competitiveness of globalization and international  
13 markets.

14 (6) The United States has recognized the bene-  
15 fits that international trade provides to least-devel-  
16 oped countries by enacting the Generalized System  
17 of Preferences and trade benefits for developing  
18 countries in the Caribbean, Andean, and sub-Saha-  
19 ran African regions of the world.

20 (7) Enhanced trade with least-developed Mus-  
21 lim countries, including Yemen, Afghanistan, and  
22 Bangladesh, is consistent with other United States  
23 objectives of encouraging a strong private sector and  
24 individual economic empowerment in those countries.

1           (8) Offering least-developed countries enhanced  
2           trade preferences will encourage both higher levels of  
3           trade and direct investment in support of positive  
4           economic and political developments throughout the  
5           world.

6           (9) Encouraging the reciprocal reduction of  
7           trade and investment barriers will enhance the bene-  
8           fits of trade and investment as well as enhance com-  
9           mercial and political ties between the United States  
10          and the countries designated for benefits under this  
11          Act.

12          (10) Economic opportunity and engagement in  
13          the global trading system together with support for  
14          democratic institutions and a respect for human  
15          rights are mutually reinforcing objectives and key  
16          elements of a policy to confront and defeat global  
17          terrorism.

18 **SEC. 3. DEFINITIONS.**

19          In this Act:

20          (1) **BENEFICIARY TRADE ACT OF 2009 COUN-**  
21          **TRY.**—The term “beneficiary **TRADE Act of 2009**  
22          country” means a **TRADE Act of 2009** country that  
23          the President has determined is eligible for pref-  
24          erential treatment under section 5.

1           (2) FORMER TRADE ACT OF 2009 BENEFICIARY  
 2           COUNTRY.—The term “former TRADE Act of 2009  
 3           beneficiary country” means a country that, after  
 4           being designated as a beneficiary TRADE Act of  
 5           2009 country under this Act, ceased to be des-  
 6           ignated as such a country by reason of its entering  
 7           into a free trade agreement with the United States.

8           (3) TRADE ACT OF 2009 COUNTRY.—The term  
 9           “TRADE Act of 2009 country” means a country  
 10          listed in subsection (b) or (c) of section 4.

11 **SEC. 4. AUTHORITY TO DESIGNATE; ELIGIBILITY REQUIRE-**  
 12 **MENTS.**

13          (a) AUTHORITY TO DESIGNATE.—

14           (1) IN GENERAL.—Notwithstanding any other  
 15          provision of law, the President is authorized to des-  
 16          ignate a TRADE Act of 2009 country as a bene-  
 17          ficiary TRADE Act of 2009 country eligible for ben-  
 18          efits described in section 5—

19           (A) if the President determines that the  
 20          country meets the requirements set forth in sec-  
 21          tion 104 of the African Growth and Oppor-  
 22          tunity Act (19 U.S.C. 3703); and

23           (B) subject to the authority granted to the  
 24          President under subsections (a), (d), and (e) of  
 25          section 502 of the Trade Act of 1974 (19

1 U.S.C. 2462 (a), (d), and (e)), if the country  
2 otherwise meets the eligibility criteria set forth  
3 in such section 502.

4 (2) APPLICATION OF SECTION 104.—Section  
5 104 of the African Growth and Opportunity Act  
6 shall be applied for purposes of paragraph (1) by  
7 substituting “TRADE Act of 2009 country” for  
8 “sub-Saharan African country” each place it ap-  
9 pears.

10 (b) COUNTRIES ELIGIBLE FOR DESIGNATION.—For  
11 purposes of this Act, the term “TRADE Act of 2009 coun-  
12 try” refers to the following or their successor political enti-  
13 ties:

- 14 (1) Afghanistan.
- 15 (2) Bangladesh.
- 16 (3) Bhutan.
- 17 (4) Cambodia.
- 18 (5) Kiribati.
- 19 (6) Lao People’s Democratic Republic.
- 20 (7) Maldives.
- 21 (8) Nepal.
- 22 (9) Samoa.
- 23 (10) Solomon Islands.
- 24 (11) Timor-Leste (East Timor).
- 25 (12) Tuvalu.

1 (13) Vanuatu.

2 (14) Yemen.

3 (c) SRI LANKA ECONOMIC EMERGENCY SUPPORT.—

4 For purposes of this Act, the President may also designate  
5 Sri Lanka as beneficiary TRADE Act of 2009 country eli-  
6 gible for benefits described in section 5.

7 **SEC. 5. TRADE ENHANCEMENT.**

8 The preferential treatment described in this section  
9 includes the following:

10 (1) PREFERENTIAL TARIFF TREATMENT FOR  
11 CERTAIN ARTICLES.—

12 (A) IN GENERAL.—The President may  
13 provide duty-free treatment for any article de-  
14 scribed in section 503(b)(1) (B) through (G) of  
15 the Trade Act of 1974 (19 U.S.C. 2463(b)(1)  
16 (B) through (G)) that is the growth, product,  
17 or manufacture of a beneficiary TRADE Act of  
18 2009 country, if, after receiving the advice of  
19 the International Trade Commission in accord-  
20 ance with section 503(e) of the Trade Act of  
21 1974 (19 U.S.C. 2463(e)), the President deter-  
22 mines that such article is not import-sensitive  
23 in the context of imports from beneficiary  
24 TRADE Act of 2009 countries.

(B) RULES OF ORIGIN.—The duty-free treatment provided under subparagraph (A) shall apply to any article described in that subparagraph that meets the requirements of section 503(a)(2) of the Trade Act of 1974 (19 U.S.C. 2463(a)(2)), except that—

(i) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A) of section 503(a)(2) of the Trade Act of 1974 (19 U.S.C. 2463(a)(2)); and

(ii) the cost or value of the materials included with respect to that article that are produced in one or more beneficiary TRADE Act of 2009 countries or former beneficiary TRADE Act of 2009 countries shall be applied in determining such percentage.

(2) TEXTILE AND APPAREL ARTICLES.—

1 (A) IN GENERAL.—The preferential treat-  
2 ment relating to textile and apparel articles de-  
3 scribed in section 112 (a) and (b) (1) and (2)  
4 of the African Growth and Opportunity Act (19  
5 U.S.C. 3721 (a) and (b) (1) and (2)) shall  
6 apply to textile and apparel articles imported  
7 directly into the customs territory of the United  
8 States from a beneficiary TRADE Act of 2009  
9 country and such section shall be applied for  
10 purposes of this subparagraph by substituting  
11 “beneficiary TRADE Act of 2009 country” and  
12 “beneficiary TRADE Act of 2009 countries”  
13 for “beneficiary sub-Saharan African country”  
14 and “beneficiary sub-Saharan African coun-  
15 tries”, respectively, each place such terms ap-  
16 pear.

17 (B) APPAREL ARTICLES ASSEMBLED FROM  
18 REGIONAL AND OTHER FABRIC.—In applying  
19 such section 112, apparel articles wholly assem-  
20 bled in one or more beneficiary TRADE Act of  
21 2009 countries or former beneficiary TRADE  
22 Act of 2009 countries, or both, from fabric  
23 wholly formed in one or more beneficiary  
24 TRADE Act of 2009 countries or former bene-  
25 ficiary TRADE Act of 2009 countries, or both,



1 from yarn originating either in the United  
2 States or one or more beneficiary TRADE Act  
3 of 2009 countries or former beneficiary  
4 TRADE Act of 2009 countries, or both (includ-  
5 ing fabrics not formed from yarns, if such fab-  
6 rics are classifiable under heading 5602 or  
7 5603 of the Harmonized Tariff Schedule of the  
8 United States and are wholly formed and cut in  
9 the United States, in one or more beneficiary  
10 TRADE Act of 2009 countries or former bene-  
11 ficiary TRADE Act of 2009 countries, or any  
12 combination thereof), whether or not the ap-  
13 parel articles are also made from any of the  
14 fabrics, fabric components formed, or compo-  
15 nents knit-to-shape described in section 112(b)  
16 (1) or (2) of the African Growth and Oppor-  
17 tunity Act (19 U.S.C. 3721(b) (1) and (2)) (un-  
18 less the apparel articles are made exclusively  
19 from any of the fabrics, fabric components  
20 formed, or components knit-to-shape described  
21 in such section 112(b) (1) or (2)) subject to the  
22 following:

23 (i) LIMITATIONS ON BENEFITS.—

24 (I) IN GENERAL.—Preferential  
25 treatment under this subparagraph

1 shall be extended in the 1-year period  
 2 beginning January 1, 2009, and in  
 3 each of the succeeding 10 1-year peri-  
 4 ods, to imports of apparel articles de-  
 5 scribed in this subparagraph in an  
 6 amount not to exceed the applicable  
 7 percentage of the aggregate square  
 8 meter equivalents of all apparel arti-  
 9 cles imported into the United States  
 10 in the most recent 12-month period  
 11 for which data are available.

12 (II) APPLICABLE PERCENT-  
 13 AGE.—For purposes of this clause, the  
 14 term “applicable percentage” means  
 15 11 percent for the 1-year period be-  
 16 ginning January 1, 2009, increased in  
 17 each of the 10 succeeding 1-year pe-  
 18 riod by equal increments, so that for  
 19 the period beginning January 1, 2019,  
 20 the applicable percentage does not ex-  
 21 ceed 14 percent.

22 (ii) SPECIAL RULE.—

23 (I) IN GENERAL.—Subject to  
 24 clause (i), preferential treatment de-  
 25 scribed in this subparagraph shall be

1 extended through December 31, 2016,  
2 for apparel articles wholly assembled  
3 in one or more beneficiary TRADE  
4 Act of 2009 countries or former bene-  
5 ficiary TRADE Act of 2009 countries,  
6 or both, regardless of the country of  
7 origin of the yarn or fabric used to  
8 make such articles.

9 (II) COUNTRY LIMITATIONS.—

10 (aa) SMALL SUPPLIERS.—If,  
11 during the preceding 1-year pe-  
12 riod beginning on January 1 for  
13 which data are available, imports  
14 from a beneficiary TRADE Act  
15 of 2009 country are less than 1  
16 percent of the aggregate square  
17 meter equivalents of all apparel  
18 articles imported into the United  
19 States during such period, such  
20 imports may increase to an  
21 amount that is equal to not more  
22 than 1.5 percent of the aggregate  
23 square meter equivalents of all  
24 apparel articles imported into the

1 United States during such pe-  
2 riod.

3 (bb) OTHER SUPPLIERS.—If  
4 during the preceding 1-year pe-  
5 riod beginning on January 1 for  
6 which data are available, imports  
7 from a beneficiary TRADE Act  
8 of 2009 country are at least 1  
9 percent of the aggregate square  
10 meter equivalents of all apparel  
11 articles imported into the United  
12 States during such period, such  
13 imports may increase, during  
14 each subsequent 12-month pe-  
15 riod, by an amount that is equal  
16 to not more than one-third of 1  
17 percent of the aggregate square  
18 meter equivalents of all apparel  
19 articles imported into the United  
20 States.

21 (cc) AGGREGATE COUNTRY  
22 LIMIT.—In no case may the ag-  
23 gregate quantity of textile and  
24 apparel articles imported into the  
25 United States under this sub-

1 paragraph exceed the applicable  
2 percentage set forth in clause (i).

3 (C) TECHNICAL AMENDMENT.—Section  
4 6002(a)(2)(B) of the Africa Investment Incen-  
5 tive Act of 2006 (Public Law 109–432) is  
6 amended by inserting before “by striking” the  
7 following: “in paragraph (3),”.

8 (D) OTHER RESTRICTIONS.—The provi-  
9 sions of section 112 (b) (3)(B), (4), (5), (6),  
10 (7), and (8), and (e), and section 113 of the Af-  
11 rican Growth and Opportunity Act (19 U.S.C.  
12 3721 (b) (3)(B), (4), (5), (6), (7), and (8), and  
13 (e), and 3722) shall apply with respect to the  
14 preferential treatment extended under this Act  
15 to a beneficiary TRADE Act of 2009 country  
16 by substituting “beneficiary TRADE Act of  
17 2009 country” for “beneficiary sub-Saharan Af-  
18 rican country” and “beneficiary TRADE Act of  
19 2009 countries” and “former beneficiary  
20 TRADE Act of 2009 countries” for “bene-  
21 ficiary sub-Saharan African countries” and  
22 “former sub-Saharan African countries”, re-  
23 spectively, wherever appropriate.

1 **SEC. 6. REPORTING REQUIREMENT.**

2       The President shall monitor, review, and report to  
3 Congress, not later than 1 year after the date of the enact-  
4 ment of this Act, and annually thereafter, on the imple-  
5 mentation of this Act and on the trade and investment  
6 policy of the United States with respect to the TRADE  
7 Act of 2009 countries.

8 **SEC. 7. TERMINATION OF PREFERENTIAL TREATMENT.**

9       No duty-free treatment or other preferential treat-  
10 ment extended to a beneficiary TRADE Act of 2009 coun-  
11 try under this Act shall remain in effect after December  
12 31, 2019.

13 **SEC. 8. EFFECTIVE DATE.**

14       The provisions of this Act shall take effect on Janu-  
15 ary 1, 2009.

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